

## Message Text

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PAGE 01 PEKING 00411 120730Z

11

ACTION EA-14

INFO OCT-01 ISO-00 NIC-01 NSCE-00 SPC-03 AID-20 EB-11

NSC-07 RSC-01 CIEP-02 TRSE-00 SS-20 STR-08 OMB-01

CEA-02 COME-00 SAM-01 SAJ-01 AGR-20 DRC-01 FEA-02

SCI-06 CIAE-00 INR-10 NSAE-00 XMB-07 /139 W

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R 120605Z MAR 74

FM USLO PEKING

TO SECSTATE WASHDC 1481

INFO AMCONSUL HONG KONG

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E.O. 11652: N/A

TAGS: ETRD, ESTC, CH

SUBJECT: AMERICAN BUSINESS VISITORS IN PEKING

1. NOTWITHSTANDING THE CURRENT ANTI-LIN PIAO ANTI-CONFUCIOUS CAMPAIGN, THE IMPRESSION WE HAVE FROM OUR COLLEAGUES IN OTHER DIPLOMATIC MISSIONS AND FROM THE NUMBER OF AMERICANS IN PEKING FOR NEGOTIATIONS IS THAT PRC BUSINESS ACTIVITY WITH FOREIGN FIRMS REMAINS BRISK. AMERICANS WHO HAVE BEEN IN PEKING OVER THE LAST WEEK INCLUDE THE FOLLOWING:

A. DRESSER INDUSTRIES - TWO DRESSER REPRESENTATIVES FROM HOUSTON AND THE FIRM'S CANADIAN GROUP MANAGER ARE HAVING DISCUSSIONS WITH TECHIMPORT REGARDING THE POSSIBLE SALE OF OIL EQUIPMENT AND TECHNOLOGY. SPECIFICALLY UNDER DISCUSSION ARE WELL-LOGGING EQUIPMENT FOR EXPLORATION AND STIMULATION EQUIPMENT FOR PUMPING, BOTH OF WHICH COULD BE USED ONSHORE OR OFFSHORE, AND SIESMIC DATA PROCESSING EQUIPMENT. TWO OF THE DRESSER MEN WERE IN PEKING LAST YEAR FOR BACKGROUND DISCUSSIONS AND THE COMPANY HAS SINCE PROVIDED A LARGE AMOUNT OF TECHNICAL DATA TO TECHIMPORT BY MAIL. THE GROUP IS NOW PREPARED TO STAY SOME TIME AND HOPES TO NAIL DOWN AN AGREEMENT BEFORE LEAVING. THE SALE WOULD BE ON BEHALF OF DRESSER

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PAGE 02 PEKING 00411 120730Z

INDUSTRIES CANADA, ALTHOUGH MUCH OF THE EQUIPMENT WOULD COME FROM

THE US. THIS IS A DIFFERENT DRESSER DIVISION THAN THE ONE WHICH SOLD BLAST HOLE DRILL BITS TO THE PRC IN DECEMBER (PEKING 1605).

B. MEN'S WEAR INTERNATIONAL - THE PRESIDENT AND SECRETARY OF THIS NEW YORK FIRM WERE IN PEKING LAST WEEK NEGOTIATING WITH THE TEXTILES IMPORT AND EXPORT CORPORATION FOR PURCHASE OF DENIM JACKETS AND OVERALLS AND FLANNEL SHIRTS. THEIR PLANS WERE TO PROCEED TO SHANGHAI AND CANTON FOR FURTHER NEGOTIATIONS WITH THE TEXTILE CORPORATION BRANCHES IN THOSE CITIES. THIS IS THE THIRD PURCHASING GROUP IN THE TEXTILE FIELD TO HAVE VISITED PEKING SINCE THE BEGINNING OF FEBRUARY (PEKING 310).

C. IBM WORLD TRADE CORPORATION - VICE PRESIDENT GORDON WILLIAMSON IS BACK IN PEKING WITH J.N. GOSSELIN, GROUP DIRECTOR EXTERNAL AFFAIRS, FOR FURTHER DISCUSSIONS ON COMPUTER SALES TO THE PRC (1973 PEKING 1617). WILLIAMSON HOPES TO OBTAIN AGREEMENT FOR THE SALE OF TWO SYSTEM 3'S, AND ALSO TO DISCUSS THE POSSIBLE SALE OF AN IBM UNIT IN THE 115-145 RANGE IN WHICH THE CHINESE HAVE INDICATED SOME INTEREST (FOR PEKING MACHINERY TOOL FACTORY N. 3, WILLIAMSON SAID). HE DOES NOT PLAN FURTHER DISCUSSIONS OF THE SOPHISTICATED MODEL 168 AT THIS TIME.

D. HARNED HOOSE, LOS ANGELES ATTORNEY WHO WAS HERE WITH FLUOR ENGINEERS (PEKING 339), STAYED ON FOR TWO WEEKS OF TALKS ON BEHALF OF OTHER CLIENTS, AND INFORMED US BEFORE HIS DEPARTURE THAT HE CONCLUDED A SEVERAL MILLION DOLLAR PURCHASE CONTRACT FOR AN AMERICAN CHEMICAL FIRM WITH THE CHINA NATIONAL NATIVE PRODUCTS AND ANIMAL BYPRODUCTS CORPORATION. HE SAID HE COULD NOT PROVIDE FURTHER DETAILS AT THIS TIME, BUT A REASONABLE SPECULATION IS THAT HOOSE WAS BUYING GUM ROSIN.

3. WE UNDERSTAND THAT A REPRESENTATIVE OF CONTINENTAL OIL CORPORATION CONCLUDED A LARGE PLASTICS SALE TO THE PRC LAST WEEK. HE DID NOT CALL AT USLO AND WE HAVE NO DETAILS.

2. ALSO IN PEKING ARE REPRESENTATIVES OF CARGILL AND DREYFUS FOR DISCUSSIONS OVER THE PROBLEM OF WHEAT SMUT (PEKING 242). WE UNDERSTAND THAT PRC HAS FOUND WHEAT SMUT IN A NUMBER OF SHIPMENTS, INCLUDING THOSE FROM THE GULF COAST, AND HAVE REFUSED TO ACCEPT DELIVERY. WE WILL PROVIDE A FURTHER REPORT AS SOON LIMITED OFFICIAL USE

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PAGE 03 PEKING 00411 120730Z

AS WE HAVE MORE DETAILS.

3. FOREGOING INCLUDES COMMERCIALY SENSITIVE INFORMATION AND SHOULD BE CLOSELY HELD.  
JENKINS

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## Message Attributes

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